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C O N F I D E N T I A L 022137Z FEB 83 STAFF

CITE FBIS/PANAMA CITY 66350 [] ACTING)

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TO: PRIORITY FBIS.

RYBAT

SUBJECT: WAGE SCALE CHANGES

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1. - WE HAVE ENCOUNTERED WHAT COULD DEVELOP INTO A SERIOUS PROBLEM. IN DISCUSSING CHANGES TO THE PANAMA AREA WAGE SCALE (PROPOSED AT THE RECENT PCC BOARD OF DIRECTORS MEETING) WITH SOUTHCOM CIVILIAN PERSONNEL ADVISOR YESTERDAY, HE NOTED THAT ONE OF THE PROPOSED BUT NOT YET APPROVED AND NOT WIDELY ADVERTISED CHANGES WOULD UPGRADE SALARIES OF ALL PERSONNEL ON THE PANAMA AREA WAGE SCALE AT GRADE LN-9 AND ABOVE TO MATCH THE SALARIES OF EMPLOYEES ON THE OLD U.S. SCALE (THE NM SCALE) AT A SIMILAR GRADE. IN OTHER WORDS, THE SALARIES OF OUR THREE LN-9 TRAINEE MONITORS (ABOUT 13,600 PER YEAR) WOULD BE INCREASED TO MATCH THOSE OF AN NM-9 (JOURNEYMAN) MONITOR (\$20,256 PER YEAR) - A RAISE OF ABOUT \$6,500. THE LN SCALE WOULD BE RETAINED, ONLY THE SALARIES WOULD BE CHANGED.

2. I CONTACTED DICK KAHILL, HEAD OF THE PANAMA AREA PERSONNEL BOARD, WHICH IS THE AUTHORITY ON PERSONNEL MATTERS, TO TRY TO DETERMINE WHAT OPTIONS WE HAVE. HIS RESPONSE IN BRIEF WAS THAT IF WE WERE SUBJECT TO THE PERSONNEL POLICIES OF THE CANAL COMMISSION, WE HAD NO CHOICE BUT TO IMPLEMENT THE WAGE SCALE CHANGES WHEN THEY ARE APPROVED. HE HAD SOME DOUBT, HOWEVER, THAT FBIS WAS IN FACT SUBJECT TO COMMISSION-PERSONNEL POLICIES. THE MURPHY LAW (PUBLIC LAW 96-70, SECTION 1212) PROVIDES THAT "THE HEAD OF ANY EXECUTIVE AGENCY AND THE SMITHSON INSTITUTION MAY ELECT TO HAVE THE PANAMA CANAL EMPLOYMENT SYSTEM MADE APPLICABLE IN WHOLE OR IN PART" TO PERSONNEL OF THEIR AGENCY. KAHILL SAID THAT TO HIS KNOWLEDGE, FBIS HAD NEVER APPLIED TO COME UNDER THE CANAL EMPLOYMENT SYSTEM. I CAN FIND NOTHING IN BUREAU RECORDS EITHER. ASSUMING WE CAN BE CLASSIFIED AS AN EXECUTIVE AGENCY --

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THE LAW SAYS NOTHING ABOUT INDEPENDENT OR ANY OTHER TYPE OF
AGENCIES, EXCEPT TO MENTION THE SMITHSONIAN -- WE MAY NOT HAVE
HAD TO ADOPT THE LN SCALE IN THE FIRST PLACE AND PRESUMABLY COULD
NOW DO AWAY WITH IT. I'M NOT CERTAIN, HOWEVER, WHAT THE ALTERNA-
TIVE WOULD BE -- PERHAPS USING THE NM DESIGNATION AND SALARY
SCALE FOR EVERYONE.

3. I HOPE TO SEE KAHIL AGAIN THIS AFTERNOON AND SHOULD BE
ABLE TO BETTER CLARIFY THE BUREAU'S POSITION WITH REGARD TO THE
CANAL EMPLOYMENT SYSTEM AND WHAT OUR WAGE SCALE OPTIONS ARE IF
WE ARE IN FACT NOT SUBJECT TO IT. MEANWHILE, IT MIGHT BE USEFUL
TO HAVE LAWYERS THERE TAKE A LOOK AT THE MURPHY LAW AND PROVIDE
A QUICK OPINION ON WHERE FBIS STANDS WITH REGARD TO THE
EMPLOYMENT SYSTEM. DECL OADR DRV COL 14-82. ALL CONFIDENTIAL.
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